

Montana District Office Announces Year-End Figures

Lending to New Markets Successful

The Montana District Office of the U.S. Small Business Administration (SBA) is pleased to announce year-end loan figures for FY1999 (October 1, 1998 to September 30, 1999). For FY 1999 451 loans totaling \$72.6 million were guaranteed, of these loans 420 were made through SBA's 7(a) Guaranty Loan Program which provides short or long term financing for small business start-up or expansion needs; 31 loans totaling \$6.5 million were made through SBA's 504 Certified Development Company program which provides long term fixed rate financing for land, buildings and equipment.

SBA financed 117 new businesses for \$15,593,280. Eating and drinking establishments, grocery stores, general automotive repair shops, miscellaneous retail stores, and dentist offices were the most frequently financed businesses during FY 1999. Of the 451 loans, 103 loans totaling \$16.1 million were made to women owned businesses; 68 loans totaling \$10.2 million were made to veterans; and 33 loans totaling \$4.8 million went to minorities. (See Page 2 for Lender Loan Approval Rankings)

SBA Says Goodbye

Three SBA Staffers Move On

For 25 years Cindy Murphy's smiling face adorned the halls of SBA. She has done it all, from working in administration to loan servicing, liquidation, loan processing and even a short stint in the legal division. Cindy's vast knowledge of SBA programs was certainly an asset to all who worked with her, from co-workers and lenders to various other resource partners, she will be sorely missed. Cindy's duties have been given to a number of individuals in the office. Contact the Montana District Office for specific program contact information.



Dan Warden, Assistant District Director for Minority Enterprise Development, has accepted a position with the Montana Air National Guard. Although only with SBA for a little more than a year, Dan managed to turn the 8(a) business development program around in Montana by getting the word out to small business owners, certifying more businesses with the 8(a) designation and helping them obtain contracts with the federal government. Michael Bayuk, SBA District Counsel, has assumed the duties as Acting Assistant District Director for Minority Enterprise Development until the position is filled.

Leonard Smith, Assistant District Director for Economic Development, has accepted a position with A&S Tribal Industries in Poplar. Leonard was with SBA for a little more than over a year.

Unfortunately as the Montana District Office staff shrinks, the workload does not – it merely shifts to other employees within the office. We will strive to continue the same quality customer service you have always expected from our district office. If you have any problems or concerns please contact us immediately.

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Public Affairs Specialist Newsletter Editor Rena Carlson

We encourage the reprint of any information appearing in the SBA Newsline in other newsletters or media.

All of SBA's programs and services are provided to the public on a non-discriminatory basis.

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District Director
Jo Alice Mospan

FY 1999 Loan Approvals

The following lenders exceeded \$1.0 million in total SBA loan volume:

(These figures **DO NOT** include participation in 504 CDC Financing)

	\$ AMOUNT	# LOANS
First Security Bank – Missoula	5,363,000	35
Mountain West Bank – Helena	4,785,100	25
AMRESO Independence Funding, Inc.	4,656,600	7
First Citizens Bank – Billings	3,550,200	20
Yellowstone Bank – Billings	3,098,717	21
Mountain West Bank – Great Falls	2,524,800	18
First Interstate Bank – Kalispell	2,096,600	6
Valley Bank – Helena	2,092,000	14
Glacier Bank – Kalispell	1,986,700	32
Zions First National Bank	1,794,000	7
Norwest Bank Montana – Billings	1,668,000	9
First Union Small Business Capital	1,631,000	2
Mountain West Bank – Missoula	1,394,000	8
First Interstate Bank – Billings	1,300,000	4
Rocky Mountain Bank – Plentywood	1,220,000	2
Ronan State Bank	1,103,200	10
First Madison Valley Bank – Ennis	1,010,000	3

Lenders approving ten or more loans:

First Security Bank – Missoula	5,363,000	35
Glacier Bank – Kalispell	1,986,700	32
Mountain West Bank – Helena	4,785,100	25
Yellowstone Bank – Billings	3,098,717	21
First Citizens Bank – Billings	3,550,200	20
Mountain West Bank – Great Falls	2,524,800	18
Valley Bank – Helena	2,092,000	14
Stockman Bank of Montana – Sidney	846,280	10
Ronan State Bank	1,103,200	10

Certified Development Company – 504 Loans:

Montana Community Finance Corporation	5,631,000	26
Economic Development Corporation of Yellowstone County	875,000	5

Counties exceeding \$1 million in loans:

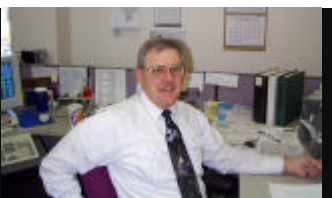
Yellowstone	14,315,917	81
Missoula	9,488,900	56
Lewis & Clark	7,261,200	41
Gallatin	6,687,500	34
Cascade	6,229,900	27
Flathead	5,851,700	55
Lake	2,684,100	18
Ravalli	2,449,300	13
Silver Bow	1,803,500	13
Carbon	1,739,500	8
Sweet Grass	1,324,000	4
Sheridan	1,220,000	2
Madison	1,208,800	4
Richland	1,051,280	12

Counties with ten or more loans:

Yellowstone	81
Missoula	56
Flathead	55
Lewis & Clark	41
Gallatin	34
Cascade	27
Lake	18
Ravalli	13
Silver Bow	13
Richland	12

Goals Update

*Doug Crachy,
SBA Finance Chief*



Another fiscal year has been completed! FY 1999 was very successful for the Montana District Office. All of our lending goals were met and/or exceeded with the major thanks being given to all the lenders in Montana who participate in our guaranteed lending programs and our 504 loan program through the Certified Development Companies.

The Agency concentrated its efforts on the "New Markets" for the year, which included women, veterans and minorities. We exceeded our anticipated levels in all categories, with the largest increase at 213% for minorities. We also made two Export Working Capital Loans (EWCP), and a big first for this office was processing the first Y2K Action Loan in the nation. The Y2K Action Loan Program was started in April 1999, allowing lenders to obtain a 90% guaranty on loans to businesses needing money to address year 2000 computer problems.

The SBA, as with most businesses, is moving into the electronic era. There is a multitude of information located on our web site, www.sba.gov that can be of benefit to individuals, businesses and lenders. As part of transforming the SBA into a 21st century financial institution, SBA is striving to establish a uniform payment process between SBA and our participating lenders through the use of electronic funds transfer.

A part of this effort includes streamlining the up-front guaranty fee payment process. To maximize operating efficiency and to improve transactions with our participating lenders, field offices are to encourage participating lenders to use the electronic transfer of the funds to pay the up-front guaranty fee.

Use of the electronic transfer of funds process will accelerate the collection of funds and will provide automatic proof of the guaranty payment transaction. This is an important step as we move toward implementing a procedure requiring payment of the up-front guaranty fee within 90 days of loan approval.

Instructions for lenders on how to send money to SBA electronically are available. Lenders should contact the SBA Action Desk of the Denver Finance Center (e-mail to: OFOAction@sba.gov) at 303-844-2411 to arrange setup and establish accounts that will allow the following electronic transactions:

1. Payment of Guaranty Fees
2. Refund of duplicate and overpaid Guaranty Fees
3. Distribution of lenders' share of the recoveries on SBA serviced loans.

Any questions regarding this matter should be directed to James Hammersley or Kihoon Kim at (202) 205-6481.

Everyone in the Montana District Office may be reached via e-mail, which in many instances, is a more efficient form of communication than the telephone.

We want to extend congratulations to First Community Bank of Wolf Point for being selected as SBA's Minority Lender of the Year. Also, a large thank you to all the lenders and resource partners who helped us reach our goals and made FY 1999 an outstanding year for the Montana District Office. We look forward to your continued support.

Asset Sales

The Lender Perspective: Q&A

*Don Dahlseide,
SBA Portfolio Management Chief*



The SBA announced in August the highly successful initial sale of SBA loans to the private sector. SBA is identifying loans for the second sale at this time, and the sale is scheduled to close mid calendar year 2000. These loans are part of an innovative program of sales that will reduce the number of direct and acquired SBA loans. The SBA plans to sell up to \$10 billion over the next three years, and establish a mechanism for selling up to \$500 million in loans each year thereafter. Lenders have an interest in this program because the structure will provide them with the opportunity to sell their remaining interest in the 7(a) loan together with the SBA's portion. Lenders may also be interested in purchasing loans and using their own workout, restructuring, packaging and collection strategies to pursue a profit opportunity.

HOW THE LOAN SALE PROGRAM WORKS:

1. Why is SBA selling purchased Section 7(a) and Development Company Loans?

SBA is reengineering to become a federal agency of the 21st Century. This involves reallocating SBA staff away from some direct loan management functions and into the role of overseeing and monitoring the quality of lender origination and servicing of loans. Loan asset sales are one part of the reengineering process. The Administration's last three budgets have included an express mandate for SBA asset sales.

2. What was the result of the first sale?

The sale included 4,060 small business loans that SBA had either made directly or had previously guaranteed for private sector lenders. The unpaid principal balances for the loans included in the sale totaled approximately \$332 million, with about half the loans classified as non-performing or under-performing. The loans were divided among 26 loan pools in order to maximize value. SBA received 135 bids from 25 different bidders for the 26 different loan pools. The winning bids varied widely based on the characteristic of the various loan pools. The criteria used to pool the loans included: performing vs. non-performing, real estate collateral vs. business assets, secured vs. non-secured, lien position, loan to value ratios, location of collateral and environmental issues. SBA realized in aggregate \$195 million in proceeds from the sale of these pools, a \$90 million premium over the \$105 million that the government estimated it would receive if it held the loans to maturity.

3. What loans will be included in Sale 2? Will lender-serviced Section 7(a) loans be included?

SBA plans to sell direct loans and purchased Section 7(a) and Certified Development Company loans in Sale 2, both performing and non-performing. As the SBA has moved more of the servicing responsibilities of purchased Section 7(a) loans to the lenders in recent years, the largest portion of the Section 7(a) "SBA-owned portfolio" is now lender-serviced. Carrying out the mandate of selling all SBA-owned loans will require the sale of these loans.

The date of each sale will be posted on the SBA Asset Sales Website. For more information visit www.sba.gov/assets or contact the Montana District Office.

First Madison Valley Bank Awards First EWCP Loan

Antler Business Booming in the Orient

Don Schaufler of Tri-Don, Inc. in Ennis has been involved in the antler business for nearly 20 years. Started in 1978, today Tri-Don has grown to become the largest exporter of antlers in the United States. Tri-Don's primary customers are in the Orient, where the antlers are sliced into thin wafers, cooked for several hours, made into broth and bottled and sold for pharmaceutical purposes.

First Madison Valley Bank of Ennis has 18 years experience with Tri-Don, Inc. so it only seems logical that they would be the lender to provide the Schauflers with the first Export Working Capital Loan (EWCP) this fiscal year in Montana. SBA's EWCP program is designed to provide short-term working capital to firms involved in exporting. Tri-Don's buying season is heaviest during the months of February through July, and historically sales are increased from late April through August, however at times sales can be delayed to December, January and February, making it necessary to have an operating line to get them through these periods. First Madison Valley Bank was presented with a plaque recently for making the first EWCP loan this fiscal year. **Congratulations to Mary Oliver and the rest of the staff at First Madison Valley Bank for their efforts in helping this business to succeed!**



Glacier Bank Whitefish Makes 2nd EWCP Loan

Whitefish Firm Expands International Opportunities....



Pictured L to R: Doug Crachy, SBA; Russ Porter, Glacier Bank; Karen and Gary Hamilton of the Hamilton Group

Glacier Bank of Whitefish is only the second lender this fiscal year to participate in SBA's Export Working Capital Loan Program (EWCP). The bank recently approved an EWCP line of credit to the Hamilton Group, Ltd. of Whitefish. The Hamilton Group, Ltd. was founded in 1959 in Minnesota and moved to Montana in 1996. Today the company's main offices are located in Whitefish, with branch offices still located in Minneapolis and Milwaukee. Gary Hamilton is Chief Executive Officer, while his wife Karen is President. The Hamilton Group, Ltd. acts as a distributor for purchasing and arranging timely shipments of spare vehicle parts to overseas customers. They source the marketplace for the parts needed to repair the vehicles, ordering and shipping parts based on a firm purchase order, as they do not carry any inventory and ship

the parts immediately. Shipments overseas are estimated to be over \$5.0 million by the end of 1999. The Hamilton Group, Ltd. has been a customer of Glacier Bank for the last three years.

SBA Names Minority Lender of the Year

First Community Bank of Wolf Point has been named SBA's 1999 Minority Lender of the Year.

This award is presented annually in recognition of Minority Enterprise Development Week (MED). The Minority Lender of the Year Award is presented to the financial institution in Montana that best exemplifies service to minorities and minority owned businesses by providing financial assistance, encouragement and guidance.

This past fiscal year, First Community Bank approved loans to a number of minority owned firms, including an SBA 8(a) client, as well as a woman owned business.

Bank staff are committed to their community and continue to encourage economic development and growth. Congratulations to Tom McPherson and the rest of the staff on a job well done!

"Y2K"



61 Days and
Counting...

January 1, 2000

Second Y2K Action Loan in Montana

Valley Bank of Helena approved the second Y2K Action Loan in Montana to R&R Brake & Alignment of Helena.

Ken & Beth Lamping are the owners of R&R Brake & Alignment. They used the Y2K Action Loan to purchase a new Y2K compliant computer system which enables them to automate most of their daily office functions, including bookkeeping and inventory and it allows them to tie into a network for ordering parts and supplies. "At Valley Bank, we are prepared for Y2K and have reached out to our customers to ensure their readiness", said Jack Berry, Vice President of Valley Bank in Helena. The Y2K Action Loan is a prime example.

"At Valley Bank, we are prepared for Y2K and have reached out to our customers...said Jack Berry, Vice President."



L to R: Jo Alice Mospan, SBA District Director; Beth & Ken Lamping, Owners; and Jack Berry, Vice President – Valley Bank of Helena

The first Y2K Action Loan in Montana, which was also the first Y2K Action Loan in the nation, was made by First Citizens Bank of Billings and was made to Jeff & Kelly Hawk of Big Horn Bolt & Anchor in Billings.

Zions Bank Donates to BIC

Zions First National Bank of Billings donated \$1,000 to the Montana Business Information Center in Helena recently.

Business Information Centers are one-stop locations where existing and emerging small business owners can receive assistance and advice. The center combines the latest computer technology, hardware and software, an extensive small business reference library of hard copy books, publications and current management video tapes to help entrepreneurs plan their business, expand an existing business, or venture into new business areas. The BIC is operated strictly by donations.

The Grand Opening for a BIC in Billings will be November 16th. *See related article on Page 9.* If your organization is interested in donating to the BIC, contact Robert Much at (406) 441-1081

Montana Small Business Resource Guide – 2nd Edition Now Available

The 2nd edition of the Montana Small Business Resource Guide is now available. This guide addresses how to start a small business and access capital for a small business. It also provides an overview of SBA's programs, services and resource partners. Key contact numbers for major state and local organizations, as well as other agencies that are available to assist entrepreneurs in starting and developing a small business, are listed in this guide. **Contact the Montana District Office for your supply now!**

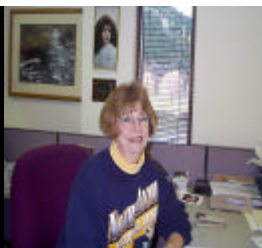
First Citizens Bank Named PLP

First Citizens Bank of Billings was recently designated as a Preferred Lender (PLP) with the SBA. Since 1971 First Citizens Bank has been participating in SBA programs and has been a Certified Lender (CLP) with the agency since February 1998. The staff of First Citizens Bank are very knowledgeable of all SBA programs, policies and procedures and demonstrate a strong commitment to the small business community. Our hats go off to Jack Svendsen, Bill Gottwals and the rest of the First Citizens Bank staff for all their dedication and hard work. Congratulations!!

Entrepreneurial Development

*Small Business Week -
Nominations Sought*

*Michelle Johnston, Chief, Entrepreneurial
Development*



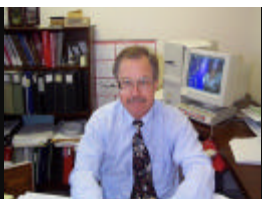
The close of another fiscal year....and thanks to our resource partners, the Small Business Development Centers, the Service Corps of Retired Executives, the Business Resource Center and the Tribal Business Information Centers for helping us reach our FY 1999 goals. Not only were our training and counseling goals met--they were exceeded--and the thanks goes to our resource partners who are continually helping entrepreneurs who are having problems, in need of a little guidance or helping the want to be entrepreneur make his/her dreams of owning a small business a reality. Our resource partners work very hard in following SBA's mission of "helping people get into business and helping them stay there."

During the past FY, we sponsored, along with resource partners, chambers of commerce and local lenders, mini-workshops in rural areas where all of our programs and services were discussed. We also invited other local, state and federal agencies to participate and we went to locations we rarely travel to. These events were very well received. We will continue to do these in other rural areas of Montana this coming FY.

Counsel's Corner

UCC Update

*Michael J. Bayuk
District Counsel*



As many of you know the Secretary of State has put in place a new Uniform Commercial Code (UCC) computer filing system. The new system will provide for:

1. More timely and accurate customer access to the record filing system.
2. Faster completion rates and turnaround for search and copy requests.
3. Public Access for subscribers to information on a new, web based interface.

This implementation of the model Article 9 filing requirements is referred to as the "Open Drawer Policy." Under Article 9 the Secretary of State will act as a filing entity rather than a perfecting entity. Effective September 7, 1999 the document will be filed by the Secretary if it contains the following four items:

1. Debtor and secured party names
2. Debtor and secured party city and state
3. Collateral description; and
4. The correct fee

It is the responsibility of the filing party to insure the information submitted is correct and complete. The UCC liens now on file will

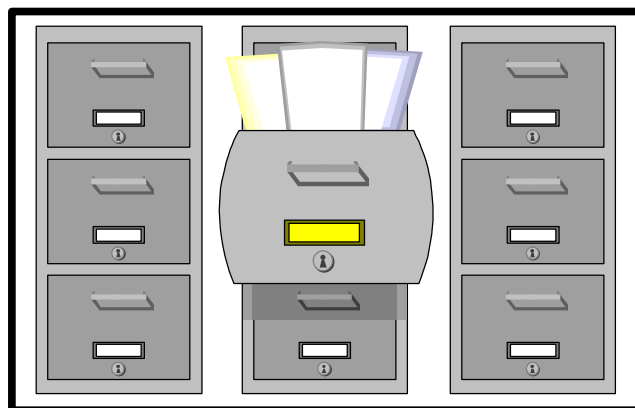
The SBA is looking for nominations for Small Business Week Awards (SBW) for 2000. If you know of someone who has what it takes to become America's "Small Business Person of the Year," please let us know.

National SBW will be celebrated in early June 2000. In recognition of SBW, the Montana SBA DO, local chambers of commerce, lenders and other small business supporters will sponsor special activities honoring small businesses and individuals who have fulfilled a commitment to the advancement of small businesses in Montana. Individuals who own and operate a small business are eligible for nomination as Small Business Person of the Year. Nominations will be evaluated on the basis of staying power, growth in number of employees, financial growth, innovation, response to adversity and contribution to the community. Nominations for the Small Business Person of the Year, Advocates of the Year and special Small Business Week award categories can be made by any individual or organizations such as professional and trade associations, business organizations, chambers of commerce, banks or a small business' employees. Nomination forms and guidelines are available online at www.sba.gov or by contacting the SBA at (406) 441-1081. Nominations must be postmarked or delivered to the Montana SBA office by November 12, 1999.

And....again thanks to our resource partners for helping us reach our goals and making the last fiscal year of the century a very good year!

be transferred to the new system and will not be affected by the change.

Those wishing to subscribe to Public Access can contact the Secretary of State office at (406)444-6452.



Montana EcoStar Program Ready for 2000

By: Jon Hudson
Montana Pollution Prevention Program

The Montana State University Extension Service Pollution Prevention (P2) Program is gearing up for the Montana **EcoStar 2000** business recognition program. This will be the fourth year of the **EcoStar** program, which is designed to publicly recognize the efforts of Montana small businesses in the areas of waste reduction and resource conservation. Applications for the award are available from the P2 Program by calling toll-free 1-888-678-6872 or 406-994-3451.

Many Montana small businesses routinely take steps to reduce waste and maximize their efficiency, but very few publicize their efforts, or get public recognition for it. In an increasingly environmentally conscious marketplace, positive consumer recognition can help you gain a competitive advantage, while attracting new customers, enhancing customer loyalty, and boosting employee morale. The **EcoStar** program is designed to provide that positive, public recognition.

Waste reduction, energy conservation, and water conservation are the key components in becoming an **EcoStar** business. Some examples include the use of less hazardous products in cleaning or processing, purchasing supplies and products in bulk, re-using products and materials, recycling, solvent distillation, employee training, reducing packaging use, and inventory control.

Not only do these activities reduce pollution, they also can save business money by reducing raw material requirements, lowering energy and water bills, and lowering disposal costs. Often, these steps can result in reduced regulatory requirements, a further potential cost savings.

Any small business in Montana is eligible for **EcoStar** status. The important criteria are that the business be non-governmental in nature, generate less than 2,200 pounds of hazardous waste each month, in compliance (to the best of their knowledge) with environmental regulations at the time of application, going beyond the minimum required by state and federal environmental standards, and willing to receive an on-site visit from Montana P2 Program staff (our on-site visits are non-regulatory, confidential, and free of charge). All **EcoStar** applications are reviewed by a panel of judges from the Montana P2 Program, with winners selected based upon their commitment to waste reduction, the environmental benefits of their actions, and the innovation of the waste reduction activities.

Qualifying businesses receive a Certificate of Recognition, a printed color display for use in waiting rooms or at cashier stands, window decals, and the rights to use the **EcoStar** logo freely in their advertising for the award period (camera-ready copies of the **EcoStar** logo are provided). Each winner is also profiled in a press release distributed throughout the state to newspapers and trade magazines.

In addition, **EcoStar** winners are automatically eligible for the prestigious "Outstanding Achievement in Pollution Prevention" award, sponsored by the Montana Small Business Administration.

The Montana P2 Program, part of the Montana State University Extension Service, is a non-profit, education-based technical assistance program dedicated to helping Montana businesses save money by reducing waste. The **EcoStar** program is just one of our many services. Deadline for completed applications is January 7, 2000. For more information, contact Jon Hudson at the Montana P2 Program, Taylor Hall, P.O. Box 173580, Bozeman, Montana 59717-3580, toll-free 1-888-678-6872, or 406-994-3451, or visit our web site at <http://www.montana.edu/wwwated>.



BIC Expands Hours

The Montana Business Information Center in Helena will now be open Wednesday evenings until 6:30 p.m. through November. This will be a pilot to see if there is a need in the community for expanded hours. The BIC's regular hours are from 8:00 – 4:30 p.m. Monday – Friday.

Evening workshops have resumed in the BIC and are offered every other

Wednesday from 4:30 – 6:30 p.m. Workshops currently being offered are "The Feasibility of Going into Business" and "How to Create a Business Plan".

During FY 1999 1,460 clients visited the BIC, resulting in 40 new businesses

We encourage and appreciate any comments, suggestions or article submissions you may have.

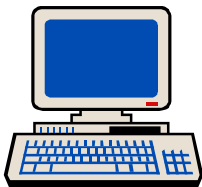
**Submit all information to
Rena Carlson,
SBA Montana District Office,
301 S. Park, Room 334,
Helena, MT 59626
Submissions may also be
made via e-mail to:**

being started! For more information on the BIC, contact BIC Manager Robert Much at (406) 441-1081.

Resource Directory for Small Business Management

Effective August 1, 1999, the SBA publications and videotapes for *Starting and Managing a Successful Small Business* have been

abolished. We are pleased to tell you that we will now offer the publications through SBA's website, www.sba.gov in downloadable text and PDF formats.



Since early 1995 these products have been offered for sale by mail-order through the Resource Directory for Small Business Management. With the abundance of business-related information available on the Internet, sales have declined and the program, required to be self-sufficient, can no longer be sustained.

If you have further questions about the on-line publications, please contact the Montana District Office.

Minority Small Business Person of the Year Named

Jeff and Kelly Hawk of Big Horn Bolt & Anchor of Billings have been named the U.S. Small Business Administration's 1999 SBA Minority Small Business Person of the Year for Montana, as well as the 1999 Region VIII SBA Minority Small Business Person of the Year for a six state region which includes, Montana, Wyoming, North Dakota, South Dakota, Utah and Colorado.

The Minority Small Business Person of the Year Award is given each year in honor of Minority Enterprise Development (MED) Week. The President of the United States has designated the week of September 20-24, 1999, as MED Week to recognize and promote the achievements of the nation's minority owned businesses.

Jeff Hawk is President of Big Horn Bolt & Anchor, is a member of the Salish & Kootenai Confederated Tribes and has been in business since 1995. Big Horn Bolt & Anchor is an industrial fastener supplier specializing in bolts, electrical

connections and various fittings. Over the last three years, the company has grown from three to ten employees and sales have increased from \$250,000 to \$500,000. Sales are expected to reach \$1 million in 1999. Big Horn Bolt was recently chosen as the sole supplier for a major account that has outlets in eight western states. As a result of this contract, Big Horn Bolt & Anchor will be expanding into these locations and hiring additional employees. Annual sales from this contract alone will be between \$5-8 million dollars.

Jeff Hawk recently returned from an all expense paid trip to Washington, DC where he was invited to speak at a White House 100 Days to Y2K Event. The Hawks were the recipients of the first SBA Y2K Action Loan in the nation and Jeff was invited to participate in the event to tell about their small business success and what the Y2K Action Loan did for them. Jeff and Kelly Hawk were also recognized for their accomplishments at a ceremony at First Citizens Bank of Billings on September 24, 1999,

For further information on SBA award programs please contact Rena Carlson at SBA (406) 441-1081 or by e-mail at larena.carlson@sba.gov.

GSA Named Agency of the Year

General Services Administration (GSA), Montana Property Management Center, has been named the 1999 Montana Agency of the Year by the U.S. Small Business Administration (SBA).

This award is presented each year in honor of Minority Enterprise Development (MED) Week. The President of the United States has designated the week of September 20-24, 1999, as MED Week to recognize and promote the achievements of the nations minority owned businesses.

The Agency of the Year Award is presented to the federal agency that has made the most significant contribution in support of Montana's minority small business community. The Montana Property Management Center shows a deep commitment to awarding set-aside contracts to Montana SBA 8(a) contractors. During fiscal year 1999, the agency awarded seven contracts to five minority small businesses across the state. Contracts varied from construction

to architecture and design to custodial services. Contracts are awarded through the SBA 8(a) program which provides federal government contracts and other assistance to small companies owned by socially and economically disadvantaged persons. Through this program SBA acts as a prime contractor and enters into contracts with other Federal departments and agencies, negotiating subcontracts with minority businesses.

SBA works on a continuing basis with minority owned businesses by providing technical business development assistance, financial assistance through lending institutions and assisting minority owned businesses in obtaining government contracts. During this current fiscal year the Montana SBA office has guaranteed 32 loans to minority owned businesses totaling \$4.5 million dollars, in addition to assisting minority owned businesses in obtaining \$51 million in government contracts.

SBA Sets New Records In FY 1999 For Small Business Lending; Boosts Small Business Capital By More Than \$16 Billion

The U.S. Small Business Administration (SBA) set new records in its major small business financing programs in FY 1999. New records were set in total loan dollars, dollars loaned to minority and women borrowers and venture capital investments, with financing exceeding \$16.35 billion.

Since the end of fiscal year 1992, the SBA has backed more than \$71 billion in loans to small businesses, more than was accomplished in the previous 25 years combined.

For FY 1999 (ending Sept. 30, 1999), the SBA approved 43,639 loan guaranties amounting to \$10.15 billion in the 7(a) General Business Loan Guaranty program, a 12.5 percent increase in loan dollars from FY 1998. SBA also approved 5,280 loans worth almost \$2 billion under the Certified Development Company (CDC) loan program. The combined dollar amount of \$12.15 billion is a record, exceeding the previous mark of nearly \$10.9 billion set in FY 1997.

SBA's Small Business Investment Company (SBIC) program, the agency's

premier vehicle for providing venture capital to small, growing companies, produced a record amount of equity and debt capital investments during the year. Based on preliminary year-end figures, the program's licensed SBICs made almost 3,100 investments worth more than \$4.2 billion, 30 percent greater than the record set in FY 1998, and more than double the average for the previous five years.

During the year, 53 new SBICs with a combined private capital of \$788.1 million were licensed. At the end of the year, the program had 354 licensees with combined private capital of \$8.33 billion, and total committed capital resources amounting to more than \$12 billion.

A record 28 percent of all SBA loan dollars in FY 1999 went to minority borrowers – almost \$3.36 billion to 12,127 minority-owned businesses. SBA also made more than \$1.9 billion in loans to small businesses owned by women, also a record.

Administrator Alvarez said the agency will continue to make strong efforts to boost loans to women and minorities over the coming year. "African-Americans are nearly 13 percent of the population, but own less than 4 percent of all businesses, and Hispanics make up more than 10 percent of the population, yet own less than 6 percent of all businesses. The best way to promote economic empowerment among minorities is to support the development of small businesses in their communities.

SBA's Microloan program, which promotes economic empowerment at the smallest levels, provided \$15 million in loans to more than 1,300 borrowers. Under the program, SBA provides funding for loans and technical assistance to non-profit community-based lenders. Since 1992, more than \$90 million has been loaned under the program, with an average loan size of under \$12,000.

Grand Opening of Business Information Center in Billings

Serving entrepreneurs in Big Horn, Carbon, Golden Valley, Musselshell, Petroleum, Stillwater, Sweet Grass, Wheatland and Yellowstone Counties

A state of the art business information center called the Big Sky Business Information Center (BIC) recently opened in Billings. What is a "BIC"?

The BIC is a center sponsored in part by the U.S. Small Business Administration, Big Sky Economic Development Authority and other organizations. Business Information Centers (BICs) provide a one-stop location where current and future small business owners can receive assistance and advice. BICs combine the latest computer technology, hardware and software, an extensive small business reference library of hard copy books and publications and current management video tapes to help entrepreneurs plan their business, expand an existing business or venture into new business areas. The use of software for a variety of business applications offers clients of all types a means for addressing diverse needs.

In addition to the self-help hardware, software and reference materials, the Big Sky BIC will have on-site counseling & technical assistance provided by the Small Business Development Center and interns from Rocky Mountain College. Counseling provides the one-on-one interaction which leads the small business owners to develop personalized plans of action leading to the right choices for their businesses.

Individuals who are in business or are interested in starting a business can use the BIC as often as they wish at no charge. For the prospective business owner, visits to the BIC may be frequent, as they do the basic research necessary to reach the decision to start their business. Existing business owners may use the BIC less frequently, but will find many resources aimed at business growth. Each BIC adds new materials and resources throughout the year as they become aware of special needs in their small business community. The BICs are also used to inform the public about new initiatives and programs offered by the SBA and to reach business owners who might not otherwise take advantage of SBA's programs and services. Every BIC has access to SBA Online, the agency's national electronic bulletin board and have access to the Internet.

The Big Sky Business Information Center is located at 222 N. 32nd St., Granite Towers, Billings, MT 59101. BIC hours will be Monday through Friday from 8:00 a.m. - 8:00 p.m. A grand opening/open house celebration

will be held November 16, 1999, at the BIC.

U.S. SMALL BUSINESS ADMINISTRATION
FEDERAL OFFICE BUILDING
301 S. PARK, ROOM 334
HELENA, MT 59626-0054
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300



SBA Posts Another Banner Year...

Thanks for assisting us in meeting and/or exceeding all of our goals to help small business in Montana during FY 1999! We could not have done it without you—the invaluable efforts of each of the SBA lenders and our resource partners helped us achieve these remarkable results.

There is lots of information and exciting news in this edition of our newsletter. If you have questions about any of the articles or any of the SBA programs, contact any member of our office.

The second edition of the Montana Small Business Resource Guide has been received. A supply is being sent to our resource partners and all lenders. Just call us when you need more.

Thanks for your continued enthusiastic support of the SBA programs and the Montana District Office!

